

Tensions Rise Over Grants to Community Groups

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As the Montgomery County Council neared final approval of a \$4 billion operating budget yesterday, some of the most heated debate was over how to spread the wealth among a wide variety of nonprofit organizations that say they depend on public dollars to fund their programs.

With a projected \$300 million surplus, county officials lived up to their reputation for generosity. For the fiscal 2007 budget, the council appeared poised to more than double the \$4.3 million in community grants it doled out last year.

But council members disagreed over a proposal to grant \$200,000 to the Jewish Federation of Greater Washington to help expand the parking lot at its Rockville campus. The proposal, included in County Executive Douglas M. Duncan's recommended grants, set off an exchange about the merit of handing out taxpayer dollars for such projects.

"I think these grants inevitably end up being highly political, and I think that it's not the best way to do it," said council member Phil Andrews (D-Gaithersburg-Rockville).

In the end, though, the council approved Duncan's \$4.5 million proposal to support nonprofit groups such as the Archdiocese of Washington, the Barbara Bush Foundation for Family Literacy and the Maryland Vietnamese Mutual Association. The Jewish Federation's parking lot also made the cut.

Today, the council will consider its own wish lists of grants — totaling more than \$5 million — for organizations such as the Asian Pacific American Legal Resource Center, CASA of Maryland, and Top Banana Home Delivery Groceries Inc.

Also yesterday, the council approved a 5-cent cut in the property tax rate and a one-time \$221 credit to eligible homeowners. Duncan had proposed a 9.5-cent reduction in the tax rate. With the county facing a potential \$800 million shortfall in six years, some council members said they favored a lower rate cut and a one-year tax credit to maintain flexibility in future budgets.

Even with the cut in the property tax rate, most homeowners will still face higher property taxes because the assessed value of their homes has risen so much.

While the grants to nonprofits

make up a tiny fraction of the budget, council members spent more time debating that issue than property taxes.

Critics accused council members and Duncan (D) of using the grants for political purposes.

"They're actually out there trying to buy support from these groups," said French Caldwell, who is on the board of the Montgomery County Taxpayers League and is running for an at-large council seat.

This year, the council received 211 applications totaling \$17.8 million. Last year, there were 111 requests.

"This year, we can afford to do more," said council President George L. Leventhal (D-At Large). "We have a strong economy and available resources."

Council members Steven A. Silverman (D-At Large), who is running for county executive, and Michael L. Subin (D-At Large), who noted that he is on the board of the Jewish Community Center, defended the funding. "I think that there is a very strong rationale behind this," Subin said.

Ron Halber, executive director of the Jewish Community Relations Council of Greater Washington, said that the organization provides education and health services

to residents and that there are not enough parking spaces to accommodate them. "If people can't park, people can't access these services," he said in an interview.

In response to complaints that the application process for community grants had been too secretive, the council created an advisory panel last year to review applications.

This year, Leventhal asked each council member to give him three picks. Leventhal considered the panel's and council members' recommendations and came up with the list of \$3.5 million in grants to be considered today. That didn't satisfy Silverman, who drafted a list of \$1.7 million in additional grants he wants to see funded.

The council agreed to consider both lists today during a final vote on the budget.